

## 2019 Current Fiscal Year Report: OCC Minority Depository Institutions Advisory Committee

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<b>1. Department or Agency</b>		<b>2. Fiscal Year</b>	
Department of the Treasury		2019	
<b>3. Committee or Subcommittee</b>		<b>3b. GSA Committee No.</b>	
OCC Minority Depository Institutions Advisory Committee		34765	
<b>4. Is this New During Fiscal Year?</b>	<b>5. Current Charter</b>	<b>6. Expected Renewal Date</b>	<b>7. Expected Term Date</b>
No	06/25/2018	06/25/2020	
<b>8a. Was Terminated During FiscalYear?</b>	<b>8b. Specific Termination Authority</b>	<b>8c. Actual Term Date</b>	
No			
<b>9. Agency Recommendation for Next FiscalYear</b>	<b>10a. Legislation Req to Terminate?</b>	<b>10b. Legislation Pending?</b>	
Continue	No	Not Applicable	
<b>11. Establishment Authority</b> Agency Authority			
<b>12. Specific Establishment Authority</b>	<b>13. Effective Date</b>	<b>14. Committee Type</b>	<b>14c. Presidential?</b>
Agency Decision (approved by Treasury Assistant Secretary for Management)	07/16/2008	Continuing	No
<b>15. Description of Committee</b> Non Scientific Program Advisory Board			
<b>16a. Total Number of Reports</b>	No Reports for this FiscalYear		
<b>17a. Open Meetings and Dates</b>	<b>17b. Closed Meetings and Dates</b>	<b>17c. Partially Closed Meetings and Dates</b>	<b>17d. Total Meetings and Dates</b>
No Meetings			

	Current FY	Next FY
18a(1). Personnel Pmts to Non-Federal Members	\$0.00	\$0.00
18a(2). Personnel Pmts to Federal Members	\$0.00	\$0.00
18a(3). Personnel Pmts to Federal Staff	\$0.00	\$0.00
18a(4). Personnel Pmts to Non-Member Consultants	\$0.00	\$0.00
18b(1). Travel and Per Diem to Non-Federal Members	\$0.00	\$0.00
18b(2). Travel and Per Diem to Federal Members	\$0.00	\$0.00
18b(3). Travel and Per Diem to Federal Staff	\$0.00	\$0.00
18b(4). Travel and Per Diem to Non-member Consultants	\$0.00	\$0.00

<b>18c. Other(rents,user charges, graphics, printing, mail, etc.)</b>	\$0.00	\$0.00
<b>18d. Total</b>	\$0.00	\$0.00
<b>19. Federal Staff Support Years (FTE)</b>	0.00	0.00

**20a. How does the Committee accomplish its purpose?**

The Committee provides the Office of the Comptroller of the Currency(OCC) with advice and information on the current circumstances and future development of minority depository institutions, in accordance with the mandate in section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Pub. L. No. 101-73, Title III, 103 Stat. 353, 12 U.S.C. § 1463 note. Section 308 requires OCC to preserve the present number of minority depository institutions, preserve the minority character of minority depository institutions in cases involving mergers or acquisitions, provide technical assistance, and encourage the creation of new minority depository institutions.

**20b. How does the Committee balance its membership?**

Each member serves as a representative of his or her institution, industry, trade group, or other organization or group. The OCC ensures that diverse views are represented by assuring that the committee is composed of officers and directors of minority depository institutions and others with an interest in supporting minority depository institutions.

**20c. How frequent and relevant are the Committee Meetings?**

Estimated Number of Meetings per Year - at least 2 each calendar year. In fiscal year 2016 two meetings were held (April 5, 2016 and July 12, 2016). In fiscal year 2017 two meetings were held (October 18, 2016 and June 27, 2017). In FY 2018 three meetings were held (October 3, 2017; April 24, 2018, and September 18, 2018).

**20d. Why can't the advice or information this committee provides be obtained elsewhere?**

The OCC continues to seek the Committee's perspectives on challenges faced by MDIs. In FY2015 technical assistance (TA) was offered on topics such as cyber security, economic updates, interest rate risk. In addition, UST officials discussed CDFI/BEA information with the membership. In FY2016 TA was offered on BSA/AML, Cyber Security and Current Expected Credit Losses (CECL). In FY2017 TA included: updates on CECL, TARP, BSA/AML, an Social Media, Technology, and Community Banking. In addition, outside the MDIAC process OCC held 5 meetings to encourage MDI Collaboration with non-MDIs. MDIAC members asked for the additional information on BSA/AML, a debrief on the MDI Collaboration efforts, collaboration paper update, additional roundtables, and some items that would require legislative action not within OCC's authority and therefore

not included in the performance measures i.e. changes to Dodd Frank re: mortgage lending requirements, changes to the FFIEC examination cycle requirements, etc. Some of the requirements were addressed in FY2018 and therefore not considered complete for FY2017.

#### **20e. Why is it necessary to close and/or partially closed committee meetings?**

It is envisioned that most meetings of this committee are open. To date no committee meetings have been closed. That continued to be applicable for 2018 meetings and the 2019 projected meetings.

#### **21. Remarks**

This Committee was formerly an OTS committee. Pursuant to the Dodd-Frank Act, the OTS was abolished on 7/21/11, and the OTS's authorities transferred to the OCC. OCC determined to retain the MDIAC. But, it had to amend the charter, which occurred as of 10/20/11. New members had to be selected as well, and the charter renewed (08/12). The OCC went through the member solicitation and vetting process (began in 11/11), and the OCC received UST's concurrence on 11/26/12. The OCC's first meeting of the MDIAC was held on 3/5/13. The OCC MDIAC charter was renewed 07/16/14, 06/28/16 and 06/25/18. In 2017 three new members were added and a fourth resigned from both his institution and the committee. Six returning members currently serve on the committee. The OCC solicited nominations for the MDIAC in the Federal Register in August/September 2018.

#### **Designated Federal Officer**

Beverly Cole Deputy Comptroller for Compliance Supervision Management

<b>Committee Members</b>	<b>Start</b>	<b>End</b>	<b>Occupation</b>	<b>Member Designation</b>
Aller, Jamie	06/13/2017	12/31/2018	Banker	Representative Member
Couto, Lucilio (Louie)	06/13/2017	12/31/2018	Banker	Representative Member
Diaz-Rousselot, Guillermo	06/13/2017	12/31/2018	Banker	Representative Member
Hou, John	06/13/2017	12/31/2018	Banker	Representative Member
Jackson, Jesse	06/13/2017	12/31/2018	Banker	Representative Member
Mann, Valerie	06/13/2017	12/31/2018	Banker	Representative Member
Pinkett, Preston	06/13/2017	12/31/2018	Banker	Representative Member
Quiroga, Joe	06/13/2017	12/31/2018	Banker	Representative Member
Safie, Carlos	06/13/2017	12/31/2018	Banker	Representative Member

**Number of Committee Members Listed: 9**

#### **Narrative Description**

The Committee provides advice to the Office of the Comptroller of the Currency(OCC) on meeting the goals established by section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Pub. L. No. 101-73, Title III, 103 Stat. 353, 12 U.S.C. § 1463 note, to preserve the present number of minority institutions,

preserve the minority character of minority owned institutions in cases involving mergers or acquisitions, provide technical assistance, and encourage the creation of new minority depository institutions. The Committee assesses the current condition of minority depository institutions, what regulatory changes or other steps OCC may be able to take to fulfill the mandate of section 308, and other issues of concern to OCC-supervised minority depository institutions.

**What are the most significant program outcomes associated with this committee?**

Checked if Applies

- |   |                                     |
|---|-------------------------------------|
| Improvements to health or safety                  | <input type="checkbox"/>            |
| Trust in government                               | <input type="checkbox"/>            |
| Major policy changes                              | <input type="checkbox"/>            |
| Advance in scientific research                    | <input type="checkbox"/>            |
| Effective grant making                            | <input type="checkbox"/>            |
| Improved service delivery                         | <input type="checkbox"/>            |
| Increased customer satisfaction                   | <input type="checkbox"/>            |
| Implementation of laws or regulatory requirements | <input checked="" type="checkbox"/> |
| Other   | <input type="checkbox"/>            |

**Outcome Comments**

Possible outcomes associated with the work of this committee include the review and revision of supervisory guidance in operational and governance areas as the guidance applies to minority depository institutions supervised by the OCC.

**What are the cost savings associated with this committee?**

Checked if Applies

- |                            |                                     |
|----------------------------|-------------------------------------|
| None                       | <input checked="" type="checkbox"/> |
| Unable to Determine        | <input type="checkbox"/>            |
| Under \$100,000            | <input type="checkbox"/>            |
| \$100,000 - \$500,000      | <input type="checkbox"/>            |
| \$500,001 - \$1,000,000    | <input type="checkbox"/>            |
| \$1,000,001 - \$5,000,000  | <input type="checkbox"/>            |
| \$5,000,001 - \$10,000,000 | <input type="checkbox"/>            |
| Over \$10,000,000          | <input type="checkbox"/>            |
| Cost Savings Other         | <input type="checkbox"/>            |

**Cost Savings Comments**

It is not expected that there will be cost savings associated with the committee's recommendations.

**What is the approximate Number of recommendations produced by this committee for the life of the committee?**

19

**Number of Recommendations Comments**

The committee continues to serve as an effective vehicle for the OCC to gain insight into the role and challenges faced by MDIs. The discussion of MDI issues at committee meetings, as well as committee members' advice and suggestions, contributed to the OCC's consideration of a number of initiatives. Recommendations included: spend time with CDFI banks on amount of monies allocated to CDFI banks, offer training to bankers with OCC examiners, include cyber security in an education program for bank directors and employees and form a partnership on various training opportunities, and include a discussion of new charter and failed bank bid processes. In addition in 2017 members inquired about BSA/AML; CECL; TARP, MDI collaboration efforts, including the collaboration paper; examination cycle including offsite examinations, and additional roundtables.

**What is the approximate Percentage of these recommendations that have been or will be Fully implemented by the agency?**

95%

**% of Recommendations Fully Implemented Comments**

In 2018 OCC sponsored several MDI Collaboration forums, provided technical assistance or updates on BSA/AML, CRA, Innovation, Military Lending Act, and Small Dollar Lending, In 2017 OCC provided technical assistance on BSA/AML, CECL, TARP, Collaboration and Social Media, Technology and its relevance in Community Banking. Due to timing some roundtables were not held in 2017 as well as a full de-brief on the MDI Collaboration activities. In FY2016 one member requested additional technical assistance on BSA/AML. BSA/AML technical assistance was provided at the individual institution level as well as in various workshops hosted by OCC and conducted by OCC staff. Department of Treasury officials discussed the CDFI allocation of funds process to CDFI institutions at the September 2015 meeting. Treasury officials also attended the July 2015 Interagency MDI and CDFI Conference sponsored by OCC, FDIC and FRB and presented information on the CDFI and BEA programs including application and award processes. In addition sessions were conducted for MDIs & CBs to educate on cyber security and in FY2015 FFIEC agencies developed a cyber security assessment tool to assist bankers in identifying their cyber security risk. In addition, OCC continues to conduct webinars for bankers as well as develop and offer training sessions on current and hot topics such as

cyber security, operational risk, credit, compliance issues, BSA/AML, etc.

**What is the approximate Percentage of these recommendations that have been or will be Partially implemented by the agency?**

0%

**% of Recommendations Partially Implemented Comments**

OCC offered technical assistance to OCC supervised bankers on BSA (in some cases this was provided at the institution level). However, OCC does not think it appropriate to conduct training sessions with bankers and examiners attending the same sessions. A workshop on BSA/AML for OCC supervised institutions is being developed for a 2019 projected delivery. BSA/AML continues to be an ongoing request for technical assistance as does cyber security, technology, CECL, and requests for updates on collaboration efforts. Many of these sessions are scheduled for FY2019. OCC did not incorporate a discussion of the new charter and failed bank bid processes into the MDIAC meetings as this training was provided by FDIC representatives in another forum. However, the members received training on the bank bid processes from FDIC officials at the National Bankers Association meeting. In 2016 OCC hosted several compliance outreach sessions in which BSA/AML was among the topics addressed.

**Does the agency provide the committee with feedback regarding actions taken to implement recommendations or advice offered?**

Yes ☒ No ☐ Not Applicable ☐

**Agency Feedback Comments**

OCC discussed the recommendations with the committee before, during and after development. Overall feedback from both the committee and the MDI industry was positive.

**What other actions has the agency taken as a result of the committee's advice or recommendation?**

Checked if Applies

Reorganized Priorities	<input type="checkbox"/>
Reallocated resources	<input type="checkbox"/>
Issued new regulation	<input type="checkbox"/>
Proposed legislation	<input type="checkbox"/>
Approved grants or other payments	<input type="checkbox"/>
Other	<input checked="" type="checkbox"/>

**Action Comments**

Not applicable.

**Is the Committee engaged in the review of applications for grants?**

No

**Grant Review Comments**

This committee does not review applications for grants.

**How is access provided to the information for the Committee's documentation?**

Checked if Applies

Contact DFO	<input checked="" type="checkbox"/>
Online Agency Web Site	<input checked="" type="checkbox"/>
Online Committee Web Site	<input type="checkbox"/>
Online GSA FACA Web Site	<input checked="" type="checkbox"/>
Publications	<input type="checkbox"/>
Other	<input type="checkbox"/>

**Access Comments**

Information and documentation regarding this Committee is on the OCC website, by contacting the DFO and included in this FACA Database.